

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2386 – SB 2603**

April 4, 2018

**SUMMARY OF ORIGINAL BILL:** Requires appeals of contested cases to be held in the chancery court nearest to the place of residence of the aggrieved person, in the chancery court nearest to the place where the cause of action arose, or in any court having subject matter jurisdiction, at the discretion of the aggrieved person.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue – Exceeds \$10,000/Attorney General

Increase State Expenditures – Exceeds \$59,200/General Fund  
Exceeds \$10,000/Attorney General

Increase Federal Expenditures – \$49,200

**SUMMARY OF AMENDMENT (016513):** Deletes and rewrites all language after the enacting clause such that the only substantive changes (1) remove applicability from any appeals of contested case hearing involving TennCare determinations; (2) remove the ability for an aggrieved person to choose any court having subject matter jurisdiction; and (3) remove the limitation on when a petition for appeal of a contested case can be filed.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue – Exceeds \$15,000/Attorney General**

**Increase State Expenditures – Exceeds \$15,000/General Fund**  
**Exceeds \$15,000/Attorney General**

Assumptions for the bill as amended:

- Under current law, pursuant to Tenn. Code Ann. § 4-5-322, a person who is aggrieved by a final decision in a contested case is entitled to judicial review and may institute such review by filing a petition in the chancery court of Davidson County, except persons aggrieved with a decision involving the Department of Children's Services,

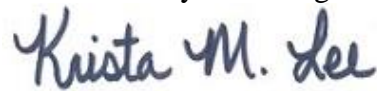
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Department of Human Services, or a local board of education may file a petition for review in the county in which the petitioner resides.

- The proposed language would require appeals of contested cases, except those involving TennCare determinations, to be held in the chancery court nearest to the place of residence of the person contesting the agency action, nearest to the place where the cause of action arose, or in Davidson County; at the discretion of the aggrieved person.
- Under current law, pursuant to Tenn. Code Ann. § 4-5-322(b)(1)(A), petitions for judicial review of contested case rulings must be filed within 60 days of the entry of an agency's final order.
- The proposed language deletes the limitation on when petitions can be filed.
- The Attorney General's office represents the majority of state agencies during appeals of contested case rulings and subsequently bills such state agencies for reimbursement of time and any costs associated with travel.
- The proposed language would result in an increase in expenditures for the Attorney General, with an equal and corresponding increase in revenues for the Attorney General upon being reimbursed by state agencies from the General Fund.
- Due to multiple unknown variables such as the number of appeals of contested cases which will be filed annually, the number of petitions which will be filed as a result of removing time limitations, if the number of appeals will increase as a direct result of this legislation, the location of any appeal filed, the extent of any recurring increase in reimbursement to the Attorney General which would not otherwise have occurred without this legislation, a precise recurring increase in state expenditures to the General Fund and corresponding recurring increase in state revenue to the Attorney General cannot reasonably be determined; however, it is reasonably estimated to exceed \$15,000 annually.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jrh